1952

File No. LBJ 1152

B CLASS

P. W. DEPARTMENT

K BRANCH

Subject:— Accounts of the Byagi El supply co.

for the years ending 31-3-1950 & 31-3-1950

LBJ 1152 K

File No. LBJ 1152 K

Ad. Sectt. Slip 3 A—1050—50,000—10-51—st.

Report on the examination and audit of the annual statements of accounts prescribed under the Indian Electricity Rules 1937 of the Byadgi Electric License, 1937 for the years ended 31st March 1950 and 31st March 1951.

The examination and audit of the annual statements of accounts of the Byadgi Electric License 1937 was conducted at Gadag. Statements I to IX and the statement of financial and technical data are appended to this repo: The accounts were not audited by the company's auditors.

2. The financial provisions contained in the sixth and seventh schedules to the Electricity(Supply)Act 1948 became applicable to this concern with effect from 1st April 1949.

3. Statement II. Loan Capital : This is a private concern and the amount invested by the proprietors is treated as loan to the concern. The amount of loan as on 31.3.1950 and 31.3.1951 as per the balance sheets of the concern was Rs.66,000/- and Rs.64,900/- respectively.

4. Statement III Capital Account : a)Capital expenditure during the years under review amounted to Rs.4070 for 1949-50 and Rs.4109 for 1950-51.

b)On reviewing the Capital expenditure it was noticed that some major parts of the plant were replaced during 49-50 at a cost of 2740/-. The cost of original parts discarded as however not written off the capital account. The system followed is unnecessarily to inflate the capital. The company may be asked to write off the original cost of such assets remove the depreciation from the fund and adjust the balance to contingencies, according to para VII(3) or IX of sixth schedule

c)The toal capital expenditure per K.W.A. comes to Rs.1288/- & Rs.1360 for the years 1949-50 and 1950-51 as against Rs.2009/- for the year 1948-49.

d)The percentage of turnover to the total capital expenditure at the close of the two years under review works out to 31.18 and 36.66 as against 29.6 for the year 1948-49.

5. Statement IV Revenue Account working expences: a)The working expenses excluding depreciation provision for reserve etc. under the various heads together with the cost per unit generated for the years 48-49, 49-50 and 50-51 are compared in the statement A attached to this report.

b)On reviewing the expenditure incurred under the various heads it was noticed that certain expenditure incurred on charity and 'Pooja' was included in the General establishment charges. The total of such items of expenditure noticed amounted to Rs.50-4-6 and 74-2-3 for the two years as detailed in statement c attached to the report. As such items of expendit are not arising out of or are not ancillary or incidental to the business they have been excluded in working out net profit, clear profit and operating expenditure.

c)Sums of Rs.1585-1-9 and Rs.1546-6-0 are charged in accounts under "management" for the years 1949-50 and 1950-51. This expenditure is stated to have been incurred in providing food to the staff members from the other concerns of the same proprietors who visited Byadgi on business relating to the concern. The details of the expenditure and detailed vouchers supporting the expenditure are not available. Hence the expenditure was not susceptible to audit. Charges which cannot be checked in audit are doubtful. Further this is in the nature of private expenses and should not be charged to the accounts. The company may be asked to explain, why it has debited to the accounts of this company such expenditure.

The licensee should please advised to keep all systematic record of all the expenditure incurred to avoid debiting to concern such extraneous charges like radio lic which do not form part of business of electricity supply.

6. Statement IV Revenue Account Receipts: a)The receipts during the years 48-49, 49-50 and 50-51 the number of units sold to the various classes of consumers together with average sale price realised are compared in the statement B. attach to this report.

7. Statement V NET REVENUE ACCT : A)The amount of interest on loan charged by the proprietors amounted Rs.3763-8-1 and Rs.3579-1-0 for the

years 49-50 and 50-51 respectively. The interest received from money at deposi amounted to Rs.5-14-6 and Rs.6-0-6 for two years. The interest charges shown at item 3 of the Dr.side of this account are net.

b) The net losa of Rs.65-13-10 for the year 49-50 and net profit Rs. 4290-5-11 for the year 50-51 arrived at after charging the interest as above were adjusted to the Account of the proprietors during the respective years.

8. Statement No.VI Reserve Fund Account : Contingency Reserve: Under para IV(1) and (2) of sixth schedule it is incumbent upon the licensee to create a contgengies reserve and to invest the amount thereof in securities authorised under the Indian Trust Act 1882. No such reserve has been created during the two years under review. The licensee may be advised to creat the reserve for both the years and to invest the total amount of the reserve in securities.

9. Statement no.VII Depreciation Fund Account : a) The depreciation has not been worked out in accordance with para VI of the Sixth Schedule and provisions of the Seventh Schedule. The following defects have been noticed.

i) The depreciation is calculated on the full value of the assets at the end of the financial year in respect of which the calculation was made instead working it on 90% value of the assets as on the last day of the previous financial year.

ii) The lives of various categories of assets were taken much more than those prescribed in the Seventh Schedule. Consequently the amount of depreciation set aside is much less than what is required under the act.

iii) Depreciation is calculated on the aggregate value of each category of assets instead of working it on each item separately. Further depreciation was to be calculated from the very beginning of year by year on each individual asset and the normal deprecation and arrears of depreciation have to be worked out.

iv) Block register of assets has not been maintained to facilitate the working of depreciation.

The licensee may be adivsed to obtain orders from the Govt. in respect of lives of the assets falling under the category mentioned at item D of the table annexed to the Seventh Schedule to rn work out the depreciation according to the provisions of the Sixth and the Seventh Schedules, and to provide arrears of depreciation. The company may also be advised to maintain a Block register of assets in suitable form.

b) Depreciation has been charged on 'General Stores' . The necessity of charging depreciation in this case is not clear. The licensee may be requested to furnish details of the general stores, and Government may thereafter consider in consultation with the Elec. Engineer whether depreciation is to be provided on General stores.

c) The balance in the depreciation fund account at the close of the year 1950-51 was Rs.20,894-10-10 representing 26.95% of the total depreciable assets of the concern in its 12th year as against 26.07 for the year 49-50 and 25.2. for the year 1948-49.

10 Statement No.IX: The percentages of units lost in transmission and used on works to the number of units generated for the years 1948-49, 1949-50 and 1950-51 are compared below :-

	1948-49	1949-50	1950-51.
Units Lost.	5.65	6.03	0.89
Units used on works	8.83	9.16	5.79

11. Proprietor's remuneration : (a) The Byadgi Electric Licensee being a proprietory concern, the affairs of the concern are being managed by the the proprietors Shri Manvi Bros, who have charged sums of Rs.1925 and Rs.1882 for the years 1949-50 and 1950-51 as their remuneration. It is not clear whether under the 1948 act the proprietors can charge any such remuneration.

In this connection a reference is invited to para 8 of the Audit report for 1949-50 of the Igatpuri Electric Supply Co.Ltd. issued under this office No.OA 256/3288 dated 26.3.1951.

It may mentioned there that as per para XIII(3) of the Sixth Schedule the office allowance of the managing agents should include salaries and wages of all persons employed in their office. In this case the proprietors had not borne any such expenditure of the concern from the remuneration drawn by them. Moreover if the affairs of the company were tobe managed by the Managing Agents, the amount of ordinary remuneration and office allowance admissible to them under the act would have come

come to Rs.1824 and 1802 only for the two years under review.

Pending settlement of the question of admissibility of such allowances the amounts charged in the accounts of the Undertaking as remuneration of proprietors are not being treated as an item of expenditure admissible for the purpose of the calculation of the clear profit.

b) On working out the amounts of remuneration stated above the following items of expenditure which appear to relate to 'Management' but included by the Licensee under ~~para~~ XVII(2)(b)(xi) of the Sixth Schedule for the purpose of working out office allowance have been provisionally admitted under that ~~para~~ pending settlement of the question regarding the items to be included under head 'Management'.

	1949-50 Rs.	1950-51 Rs.
Pay of office staff.	768- 0-0	792-0-0
Dearness Allowance.	534- 0-0	600-0-0
Printing and Stationery	100-13-2	98-0-0
Postage.	55- 2-0	44-13-0
Mess & Food.	1685-1-9	1546- 6-0
Travelling allowance.	155-5-0	73- 0-0
General expenses.	1798- 9-0	1754-15-8

Had these charges been included under para XVII(2)(b)(ix) the remueration of the proprietors would have been reduced.

12. Capital Base : a) The amounts of capital base: a) The amounts of capital base worked out by this office are Rs.56932 and Rs.59731 for the years 1949-50 and 1950-51 respectively. The corresponding figures worked out by the Licensee are Rs.57388 and Rs.60181 . The differences are explained below.

The 1/4th of expenditure under sub para 2(b) of para XVII of Sixth Schedule excluding cluse(1)(IV) and (X) as worked out by this office comes to Rs.2067-0-0 and Rs.1934-0-0 for the years 1949-50 and 50-51 respectively. The corresponding figures worked out by the Licensee are Rs.2523-0-0 and Rs.2444-7-6 respectively, the difference being due to non-inclusion of Proprietor's remuneration by this office under ~~para~~ XVII(2)(IX) vide para 11(a) above.

(b) Regular stores accounts have not been maintained by the Licensee. ~~stores~~ All adjustments in the ledger accounts are also carried out in the month of March only. In the absence of the correct details, balances as per the ledger account were taken into account. The Licensee may be advised to maintain systematic stores accounts and work out monthly closing balances of stores etc appearing in the Balance Sheet.

13. Clear profit : The amounts of clear profit for the two years as worked out by this office and the Licensee are given below :

	1949-50 Rs.	1950-51 Rs.
Amount worked out by this office.	5673	9826
/do/ by the Licensee	3849	8024
	1824	1802

The differences are on account of exclusion of the amount of remuneration of the ~~xxxxx~~ proprietors by this office as stated in para 11(a).

14. Reasonable Return~~xx~~ : The amounts of reasonable return was worked out by this office and the licensee are given below :
The difference in the two sets of figures is on account of difference in working out the amounts of capital base as explained in para 12 above

	1949-50 Rs.	1950-51 Rs.
Amount worked out by this office.	2847	2987
-do- by this Licensee	2869	3009

15. Excess of clear profit over the reasonable return:
The clear profit for both the years as worked out by this office as well as by the Licensee is in excess of the reasonable return as shown below :

a) Excess as worked out by this office.	1949-50 Rs	1950-51 Rs
Clear profit.	5673	9826
Reasonable return.	2847	2987
	2826	6839

The excess should be distributed as under

	1949-50 Rs.	1950-51 Rs.
1.1/3 of the excess not exceeding 7½% of the amount of reasonable return to be at the disposal of the Undertaking.	212	224
2) Tariff and Dividends control Reserve.	1307	3307- 8
3) Provision for distribution of poportional rebate to consumers ~~to be reserved.~~	1307	3307- 8
	2826	6839- 0

The licensee has not created any reserve. The entire amount of profit has been credited to the Proprietor account. The Licensee may be directed to ~~distribute~~ distribute the excess profit as worked out at above

(17) Amounts admissible to Licensee and drawn by him :

The amounts available at the disposal the Licensee and the amounts drawn by him are given below :

	1949-50	1950-51
A Amounts available		
Reasonable return.	2847	2987
1/3 of excess of clear profit over reasonable return as per para 15.	212	224
	3059	3211
B. The amount drawn by the Licensee		
I. Remuneration.	1925-0-0	1882-0-0
II. Interest.	3763-8-1	3579- 1-0
III. Amount spent on ~~Kumrik~~ 'Pooja' etc.	50-4-6	74- 2- 3
IV Profit(plus)Loss(-)	65-13-10	4290-5-11
	5672-14-9	9825- 9-2

(18) Rates: a)There has been no change in the effective rates paid by the general consumers or by the Municipality for street lighting during last three years :

b)It will be seen from the results worked out in para 15 above that according to the calculations made by this office the clear profit for the years 1949-50 and 50-51 is in excess of the reasonable return of the respective years by more than 9% and 22½%

Under para 1 of the Sixth Schedule the Licensee should therefore have revised the rates. However he has not done so. This is brought to the special notice of Government. The licensee should be instructed to reduce rates forthwith.

Srinivasa Rao 2/1/52

Asstt. Examiner, Outside Audit.

Statement 'A'

Items.	1948-49 Amount Rs	1948-49 Cost per unit realised in annas.	1949-50 Amount Rs	1949-50 Cost per unit realised in annas.	1950-51 Amount Rs	1950-51 Cost per unit realised in annas.
Fuel	3,311	1.13	3,582	1.07	4,487	1.08
Oil, Waste, Water Engine room stores etc.	954	0.33	888	0.27	1,424	0.34
Wages and extras salaries (excluding management)	4,205	1.44	3,713	1.11	3,777	0.91
Repairs and Maintenance	1,120	0.38	1,978	0.59	1,738	0.42
Rents, rates and taxes	162	0.05	[illegible]	[illegible]	[illegible]	[illegible]
Management and general expenses	4,938	1.69	5,301	1.58	5,110	1.23
Managing agency	1,551	0.53	1,925	0.58	1,882	0.45
Total	16,241	5.55	17,549	5.26	18,815	4.52
Units generated	46,637		[illegible]		66,645	

Statement 'B'

	1948-49 Units sold	1948-49 Amount Rs	1948-49 Price per unit realised in annas.	1949-50 Units sold	1949-50 Amount Rs	1949-50 Price per unit realised in annas.	1950-51 Units sold	1950-51 Amount R	1950-51 Price per unit realised in annas.
1. Lighting	26,829	13,669	8.15	31,514	15,983	8.12	35,917	18,225	8.12
2. Special contracts	1,985	978	7.88	2,182	977	7.16	13,870	3,986	4.60
3. Public Lamps	11,708	4,878	6.67	11,687	5,041	6.90	12,436	5,182	6.67
	40,522	19,525	7.71	[illegible]	[illegible]				
				45,383	22,001	7.76	62,223	27,393	7.04
Rental of meters		712			696			685	
Misc. receipts		202			206			351	
		20,439			22,903			28,429	

Statement 'C'.

List of items of expenditure on Proja and Charity referred to in para No.

1949-50		Amount
Date		Rs.
28-4-1949	Rs.	2- 9-6
27-5		2-11-0
26-6		2-2-0
25-7		2-7-6
24-8		2-3-0
22-9		3- 0-0
30-9		6-14-0
1-10		4-6-6
25-10		6-7-0
20-11		3-8-6
19-12		3-7-0
18-1-1950.		3-8-6
16-2		3-8-0
18-3		3-8-0
	Total	50-4-6

1949-50		Amount
Date		Rs.
17-4-1950		3- 5-9
16-5		3-12-6
15-6		3-11-0
15-7		3- 4-0
13-8		3-7-9
14-9		8-2-0
22-9		3-11-0
11-10		3-7-9
19-10		3-4-6
20-10		4-12-
9-11-		6-1-6
10-11		6-11-0
9-12		4-0-0
7-1-1951		3- 8-0
6-2-1951		4-1-6
7-3-1951		3-14-0
		74- 2-3

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STATEMENT FORM.

1. Company, etc, Byadgi Electric License 1937(Manvi Bros. Byadgi).
2. Account for year ending 31-3-1950.
3. Year of working. 11th year.
4. Motive power Oil Engines.

5.	Total capital expenditure at end of year (*not* capital of company)	Rs. 74361-14-9
6	Revenue from electric supply.	Rs. 22001- 0-0
7.	Revenue from meter rents and other sources (including interest on investments, if any).	Rs. 901- 8-0
8	Total working costs excluding depreciation (col. 11) but including income tax from net revenue account.	Rs. 17548-12-3
9.	Gross profit before providing for interest, depreciation or reserve [cols. 6 *plus* 7—8].	Rs. 5353-11-9
10	Interest [on debentures and loans] and special charges	Rs. 3757- 9-7
11.	Depreciation aod reserve [for the year]. Writing off preliminary expenses included	Rs. 1662- 0-0
12	Ditto per cent on col. 5.	2.23 %
13.	Financial result (col, 9—10 *plus* 11).	Rs. 65-13-10
14.	Ditto per cont on col. 5	0.09 %
15.	Units generated. 53510.	
16.	Units sold. 45382.6	

COSTS IN ANNAS PER UNIT GENERATED.

17.	Fuel.	Rs. 3581-8-4	1.071
18.	Oil, waste, water, engine room stores etc.	Rs. 887-13-9	0.266
19	Wages and salaries excluding management (generation, distribution and public lamps together).	Rs. 3713-4-6	1.110
20.	Repairs and maintenance [generation, distribution and public lamp renewals when charge on contract rate for current includes renewals.]	Rs. 1977-11-9	0.591
21.	Rent, rates, and taxes.	Rs. 162-3-0	0.048

12 MAY 1951

Byadgi.

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22.	[a] Management, Directors, fees office allowance salaries [other than in col. 19.] office and legal expenses.	Rs.7148-14-11	2.138
22.	[b] incidental and overhead charges (other than capital charges), e. g. depreciation, insurance, income tax, interest, etc., which cannot properly be included under any of the heads 17 to 21 and 22 (a).	Rs.5496-13-7	1.644

(*Note.*—All working costs should go under one of these heads, but not capital charges.)

23.	Total working costs [cols. 17 to 22 added].	Rs.22968-5-10	6.868

TECHNICAL DATA.

24.	Kilowatts conneted to public lamps.	6.9
25.	Total consumers connected (number).	255
26.	Total connections, kilowatts.	34

Note -Wnere there is also a tramway load the ratio of the (Kilowatts connected exclusive of the trams) to (units sold exclusive of trams) should first be found. Then the corresponding value of the kilowatts connected to the trams should be taken in the same ratio to the units used on the trams. The total kilowatts connected will then be the sum of the two.

27.	Maximum load on feeders, kilowatts. (The figures given in the accounts appear mostly to be maximum station load Both figures may be given)	43.7
28.	Load factor $\frac{\text{units sold} \times 100.}{\text{maximum load on feeders} \times 24 \times 365}$	47.4
29.	Plant capacity installed, kilowatts. 35 - 22 =	57
30.	Average price in annas obtained per unit (col. 6÷16).	7.8
31.	Percentage of dividend paid per year.	Nil

32. The type and size of the generating plant with dates of installation thereof

1. A.E.C. India Alternator No.30827, 43.5 K.V.A.
3 phase, 50 cycles, 400 Volts, 57 amps, 600 R.P.M.

2. R.A. Lister & Co.,Ltd. No.FA 6K.9728, R.P.M.1000
27.5 KVA, 50 cycles, 400 volts, 22 K.W.

33. The nature of the supply –

(*a*) Generation, voltage, frequency, etc. A.C. 400/440 volts, 3 phase 50 cycles.

(*b*) Distribution, voltage, frequency, etc. 400/230 volts.

For Mansi Brothers

V. R. Bura

MANAGER.

ANNEXURE V.

MODEL FORM OF ACCOUNTS PRESCRIBED UNDER THE INDIAN ELECTRICITY ACT, 1910, FOR COMPANIES.

[SEE SECTION 11 AND RULE 36 (3).]

ELECTRIC LICENCE.

MANVI BROTHERS. BYADGI.

For the year ending ~~XXXXXXXXXXXXXX~~ 31st Mareh 1950 .

Statement of Share Capital appropriated for the purposes of the undertaking authorised by the abovementioned licence at the end of the year.

No I.

Description of Capital.	Autho-rised by	No. of shares issued	Nominal amount of share	Called up per share	Total paid up.	Issued not paid-up	Remain-ing un-issued.	Total amount autho-rised.
				Nil				

Statement of Loan Capital appropriated for the purposes of the undertaking authorised by the abovementioned licence at the end of the year.

No. II

Description of loan.	Amounts borrowed				Remaining borrowing powers	Total amount of borrowing powers
	At per cent	At per cent	At per cent.	Total.		
Manvi Brothers.Gadag			6 %	66000-0-0		

Total Share Capital Paid-up, see No. I.

Total Loan Capital Borrowed, see No. II.

Total Capital Received.

For Manvi Brothers

V.R Bellur

MANAGER.

Byadgi.

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COMPANIES' ACCOUNTS.

NO. III - CAPITAL ACCOUNT.

For the year ending ~~31st December 19~~ 31st March 19 50

Dr | Cr

	Expenditure up to end of previous year.	Expended during the year.	Total expenditure to		Receipts up to end of previous year.	Received during the year	Total receipts to
1. To preliminary expenses (to be specified).				By ordinary shares of			
2. To lands including law charges incidental to acquisition.				Ditto			
				By preference shares of			
3. To buildings.	15380-1-5	-	15380-1-5				
4. To plant.	25089-2-3	3101-0-4	28190-2-7				
5 To mains	19230-9-6	38-5-9	19268-15-3				
6 To service connections	2961-15-9	341-11-0	3303-10-9	By Debenture stock			
7 Switch-board etc	1515-2-3	3-0-0	1518-2-3	By mortgages and bonds			
8 To meters and fees for certifying under the Act	3192-0-3	-	3192-0-3	By amounts received in anticipation of call			
9 To general stores	527-0-3	383-13-0	910-13-3				
10 To special items (to be specified)				By other receipts (to be specified)			
11 Street light fitting							
12 Furniture	468-6-0	42-2-0	510-8-0	Manvi Bros. Gadag.			66000-0-0
13 Storage Tank	65-8-0	518-6-0	583-14-0				
14 To transformers	594-13-0	-	594-13-0				
15 Ladder.	198-10-0	25-12-0	224-6-0				
16 E. Cans.	684-8-0	-	684-8-0				
17							
Total expenditure	69907-12-8	4454-2-1	74361-14-9				
To balance of Capital Account							

For Manvi Brothers

V. R. Bellur

MANAGER.

Byadgi.

21.

COMPANIES' ACCOUNTS.

NO IV- REVENUE ACCOUNT.

For the year ending ~~XXXXXXXXXXXX~~ 31st March 1950.

Dr.			Cr.	
A,—Generation				
1 To fuel . . .	3581-8-4		1. By sale of energy for lighting purposes	14284-11-9
2. To oil, waste, water and engine room stores	887-13-9		2 By sale of energy for power purposes.	
3. To Proportion of salaries of engineers, superintendents and officers.	1220-15-3		3. By sale of energy under special contracts.	865-13-9
			4 By public lighting.	4412-13-6
4 To wages and gratuities	917-11-3		5. By rental of meters and other apparatus on consumer's premises	695- 8-0
5 To repairs and maintenance as follows:-			6 By rents receivable .	
			7 By xxxxxxxxx surcharge	2437- 9-0
Buildings . . .	16- 8-0		8. By service connections	57- 0-0
Plant . . .	680-12-3		9 By ~~miscellaneous rec~~ ~~eipts from consumers~~. reconnection.	18- 0-0
To special items (to be specified).			10. By other items [to be specified]. collection.	124- 0-0
			11 Miscellanious.	7- 0-0
	7305-4-10	7305-4-10		
B —Distribution				22902- 8-0
1 To proportion of salaries of engineers. superintendents and officers	715-3-3			
2. To wages and gratuities	642-1-6			
3. To repairs. maintenance and renewals of mains.	538-10-6			
4. To repairs, maintenance and renewals of service transformers, etc.	290-2-6			
5 To repairs, maintenance and renewals of meters, switches, cut-outs and other apparatus on consumer's premises.	1-7-0			
	2187-8-9	2187-8-9		22902- 8-0
		9492-13-7		

For Manvi Brothers

V. R. Bellur

MANAGER.

Byadgi. 23

COMPANIES' ACCOUNTS.

NO. IV- REVENUE ACCOUNT—CONTD.

Dr.						Cr.
		9498-13-7				22902- 8-0
C.—Public lamps.						
1. To attendance and repairs.	217-5-3					
2. To renewals, etc. . .	450-3-6					
		667- 8-9				
D.-Rents, rates and taxes.						
1. To rents payable. .	120-0-0					
2. To rates and taxes.	42-3-0					
		162- 3-0				
E —Management expenses						
1. To Directors' remuneration	1925-0-0					
2. To management . .	3295-5-11					
3. To general establishment charges.	1798-9-0					
4 To Auditors of Company.	130-0-0					
5. To Auditor appointed under the provisions of the Act.						
		7148-14-11 17471-8-3				
F —Law charges.						
To law expenses						
G —Depreciation						
S. Storage tank.	12-0-0					
E. Cans. 1. To depreciation in respect of leasehold works	69-0-0					
2. To depreciation in respect of buildings.	308-0-0					
3 To depreciation on plant	564-0-0					
4. To depreciation on mains. .	385-0-0					
5. To depreciation on service	66-0-0					
6. To depreciation on meters.	160-0-0					
7 To depreciation on general stores.	18-0-0					
8 Switch board.	30-0-0					
9 Furniture.	29-0-0					
10 Ladder.	11-0-0					
12 St.light fitting	10-0-0					
	1662-0-0	19133-8-3				22902-8-0

COMPANIES' ACCOUNTS.

NO. IV- REVENUE ACCOUNT—CONTD

Dr | Cr

G. Depreciation – contd.		19133-8-3		22902-8-0
8. To depreciation in respect of any other items (to be specified).				
H —Special charges.				
Insurance.	77-4-0	77-4-0		
To special items (to be specified)				
		19210-12-3		
Total expenditure				
Balance carried to net revenue		3691-11-9		
		22902-8-0		22902-8-0

V.—NET REVENUE ACCOUNT.

Dr | Cr

O.B.			
1. To interest on debentures accrued due to date	2542-8-11	1. By balance from last account adjusted.	65-13-10
		Less dividend paid	
2. To interest on mortgages and bonds accrued due to date		By amount carried to Reserve Fund.	
3 To interest on temporary loans accrued due to date.	3757-9-7	2 By balance brought from Revenue Account (No IV).	3691-11-9
4. To dividend on preference stock.			
5. To Income-tax paid.		3. By interest on money at deposit.	
6. To balance applicable to dividend on ordinary stock or shares.		By balance.	2542-8-11
	6300-2-6		6300-2-6

Byadgi.

COMPANIES' ACCOUNTS.

NO VI-RESERVE FUND ACCOUNT.

Dr.		Cr.	
1. Amount paid out [items to be specified].		1. By balance brought from last account.	
2. Amount of balance of next account.		2. By amount brought form Net Revenue Account.	
		3. By interest on amount invested. [Description of investments to be specified]	
	Nil		Nil

VII.—DEPRECIATION FUND ACCOUNT.

Dr.		Cr.	
To balance	19144-10-10	1. By Balance from last account	17482-10-10
		2. By interest on investments.	
		3. By amount brought from Revenue Account (see No. IV G.).	1662- 0-0
		[Description of investments to be speciffed)	
	19144-10-10		19144-10-10

Byadgi. 4

COMPANIES' ACCOUNTS.

NO VIII-GENERAL BALANCE SHEET.

DR. CR.

Liabilities		*Assets*	
1. To capital account: amount received as per Account No. III.	66000-0-0	1. By capital account: amount expended for works as per Account No. III	74361-14-9
2. To sundry creditors due on construction of plant and machinery, fuel, stores. etc		2 By stores on hand	1866- 0-0
		3 By sundry debtors	306-10-9
3 To sundry creditors on open accounts.	4618-7-8	4. By preliminary expenses awaiting adjustment.	
4 To net revenue account : balance at credit thereof.		5. By securities as held [cost price]	
5. To reserve fund account balance at credit thereof		6 By special items(to be specified)	
		7. By cash at bankers	2673- 7-0
6 To depreciation fund account	19144-10-10	8. By cash on hand	1061- 9-11
7 To special items [to be specified]			
8. Consumers deposit.	2221-7-3	9. By balance.	2542- 8-11
9. Manvi Bros. Haveri.	10-4-3	10. Municipality.	2147- 5-5
10. Manvi Bros. Gadag.	797-13-7	11. Manvi Bros. Ranebennur.	6509-15-7
11. Government duty.	1448-5-6	12. Consumers.	2771- 8-9
	94241-1-1		94241- 1-1
Total		Total.	

For Manvi Brothers
V. R. Bella
MANAGER.

COMPANIES ACCOUNTS

No. IX.—STATEMENT OF ENERGY GENERATED, SOLD, ETC.

Total energy generated in Kilowatt-hours.	Kilowatt-hour sold					Kilowatt-hours used on works.	Kilowatt-hours not accounted for.	Total Kilowatt-hours accounted for.	Kilowatts connected for public lamps.	Total consumers connected.	Total Kilowatts connected.	Plant installed Kilowatts.	Maximum supply demanded in Kilowatts
	Public lamps.	By special contract	Consumers by meter for lighting purposes.	Consumers by meter for power purposes.	Total.								
1	2	3	4	5	6	7	8	9	01	11	12	13	14
53510	11686·5	2182·1	31514	-	45382·6	4901	3226·4	50283·6	6·9	255	34	57	43·7

* Where the undertaking supplies power to tramways the units soid the tramway should be treated as sold by "special contract" In calculating the "total kilowatts connected the kiiowatts connected exclusive of the tnmway should first be ascertained then the kilowatts connected to toe tramway system should be assumed to bear the same ratio to the units used on the tramway as the remaining kilowatts connected bear to their consumption

For Messrs. Brothers
V. R. Bella
MANAGER.

STATEMENT FORM.

1. Company, etc, Byadgi Electric License 1937. (Manvi Bros, Byadgi)
2. Account for year ending 31-3-1951
3. Year of working. 12th Year
4. Motive power Oil Engines.

5.	Total capital expenditure at end of year (*not* capital of company)	Rs	78559- 6-0
6	Revenue from electric supply.	Rs	27392-15-4
7.	Revenue from meter rents and other sources (including interest on investments, if any).	Rs	1035-10-0
8	Total working costs excluding depreciation (col. 11) but including income tax from net revenue account.	Rs	18815- 2-11
	Gross profit before providing for interest, depreciation or reserve [cols 6 *plus* 7—8].	Rs	9613- 6-5
10	Interest [on debentures and loans] and special charges	Rs	3573- 0-6
11.	Depreciation aod reserve [for the year]. Writing off preliminary expenses included	Rs	1750- 0-0
12	Ditto per cent on col. 5.		2.23
13.	Financial result (col, 9—10 *plus* 11).	Rs	4290- 5-11
14.	Ditto per cont on col. 5		5.46
15.	Units generated.		66645
16.	Units sold.		62223.06

COSTS IN ANNAS PER UNIT GENERATED.

17.	Fuel.	4487-1-6	1.08
18.	Oil, waste, water, engine room stores etc.	1424-1-6	.34
19	Wages and salarics excluding management (generation, distribution and public lamps together).	3777-7-3	.91
20.	Repairs and maintenance [generation, distribution and public lamp renewals when charge on contract rate for current includes renewals.]	1737-15-0	.42
21.	Rent, rates, and taxes.	396-12-0	.10

22. [a] Management, Directors, fees office allowance salaries [other than in col. 19.] office and legal expenses. Rs 6921-13-8 ✓ 1.66

22. [b] incidental and overhead charges (other than capital charges), e. g. depreciation, insurance, income tax, interest, etc., which cannot properly be included under any of the heads 17 to 21 and 22 (a). Rs 5393-0-6 1.29

(*Note.*—All working costs should go under one of these heads, but not capital eharges.)

23. Total working costs [cols. 17 to 22 added]. Rs 24138-3-5 5.80

TECHNICAL DATA.

24. Kilowatts conneted to public lomps 7.27

25. Total consumers connected (number). 250

26. Total connections, kilowatts. 37.5

Note-Where there is also a tramway load the ratio of the (Kilowatts connected exclusive of the trams) to (units sold exclusive of trams) should first be found. Then the corresponding value of the kilowatts connected to the trams should be taken in the same ratio to the units used on the trams. The total kilowatts connected will then be the sum of the two.

27. Maximum load on feeders, kilowatts. (The figures given in the accounts appear mostly to be maximum station load Both figures may be given) 49

28. Load factor $\frac{\text{units sold} \times 100.}{\text{maximum load on feeders} \times 24 \times 365}$ 57.9% ✓

29. Plant capacity installed, kilowatts. 57

30. Average price in annas obtained per unit (col. 6÷16). 7.04

31. Percentage of dividend paid per year. Nil ✓

32. The type and size of the generating plant with dates of installation thereof

1 A.E.C. India Ltd, Alternator No.30827, 43.5 K.V.A. 3 Phase,50 Cycles, 400 Volts,57 Amps.600 R.P.M.

2. R.A.Lister & Co Ltd, No.F.A.6 K.9728. R.P.M.1000 27.5 K.V.A. 50 Cycles, 400 Volts, 22 K.W.

33. The nature of the supply –

(*a*) Generation, voltage, frequency, etc. A.C.400/440 Volts,3 Phase,50 Cycles.

(*b*) Distribution, voltage, frequency, etc. 400/230 Volts.

For Manvi Brothers

V. R Bulla

MANAGER

37

ANNEXURE V.

MODEL FORM OF ACCOUNTS PRESCRIBED UNDER THE INDIAN ELECTRICITY ACT, 1910, FOR COMPANIES.

[SEE SECTION 11 AND RULE 36 (3).]

ELECTRIC LICENCE.

MANVI BROTHERS. Byadgi

For the year ending ~~31st December 19~~ 31st March 19 51

Statement of Share Capital appropriated for the purposes of the undertaking authorised by the abovementioned licence at the end of the year.

No I.

Description of Capital.	Authorised by	No. of shares issued	Nominal amount of share	Called up per share	Total paid up.	Issued not paid-up	Remaining unissued	Total amount authorised.
				Nil				

Statement of Loan Capital appropriated for the purposes of the undertaking authorised by the abovementioned licence at the end of the year.

No. II

Description of loan.	Amounts borrowed				Remaining borrowing powers	Total amount of borrowing powers
	At per cent	At per cent	At per cent.	Total		
Manvi Bros, Gadag				64900-0-0 ✓		

Total Share Capital Paid-up, see No. I.

Total Loan Capital Borrowed, see No. II.

Total Capital Received.

For Manvi Brothers

V. R. Bellad

MANAGER.

COMPANIES' ACCOUNTS.

NO. III · CAPITAL ACCOUNT.

Manvi Bros, Byadgi

For the year ending 31st December 19 51

Dr Cr

	Expenditure up to end of previous year.	Expended during the year.	Total expenditure to		Receipts up to end of previous year.	Received during the year	Total receipts to
1. To preliminary expenses (to be specified).				By ordinary shares of Ditto			
2. To lands including law charges incidental to acquisition.				By preference shares of			
3. To buildings.	15380-1-5	478-8-0	15858-9-5				
4. To plant.	28190-2-7	437-6-0	28627-8-7				
5. To mains.	19268-15-3	1906-10-0	21175-10-0				
6 To service connections	3303-10-9	880-7-9 -246-2-0	3938-0-6	By Debenture stock			
7 Switch-board etc	1518- 2-3	454-0-0	1972-2-3	By mortgages and bonds			
8 To meters and fees for certifying under the Act	3192-0-3	.....	3192-0-3	By amounts received in anticipation of call			
9 To general stores	910-13-3	580-0-0 -491-10-3	999- 3-0	By other receipts (to be specified)			
10 To special items (to be specified)							
11 Street light fitting			634-3-0	Manvi Bros, Gadag.			64900/-
12 Furniture	510-8-0	123-11-0	643				
13 Storage Tank	583-14-0	.....	583-14-0				
14 To transformers	594-13-0	.....	594-13-0				
15							
E. Cans	684-8-0	.....	684-8-0				
16							
Ladder	224-6-0	74-8-0	298-14-0				
17							
Total expenditure	74361-14-9	4197-7-3	78559-6-0				
To balance of Capital Account							

For Manvi Brothers

U. R. Bellur

MANAGER.

SHI. P. G. 32-933-100

MANVI BROTHERS Byadgi 41

COMPANIES' ACCOUNTS.

No. IV - REVENUE ACCOUNT.

For the year ending 31st March 1951.

Dr.			Cr.		
A — Generation			1. By sale of energy for lighting purposes ...		18224-14-9
1. To fuel ..	4487-1-6		2. By sale of energy for power purposes ...		.....
2. To oil, waste, water and engine room stores	1424-1-6		3. By sale of energy under special contracts ...		3986-6-6
3. To Proportion of salaries of engineers, superintendents and officers ...	1450-1-3		4. By public lighting ...		5181-10-1
4. To wages and gratuities ...	1006-14-0		5. By rental of meters & other apparatus on consumer's premises		684-8-0
5. To repairs and maintenance as follows:-			6. By rents receivable ...		
Buildings ..	50-10-0		7. By transfer fees ...		
Plant ...	465-6-0		8. By service connections		49-0-0
To special items (to be specified) ...			9. By miscellaneous receipts from consumers...		258-2-0
			10. By other items (to be specified.) ...		
			11 Reconnection		44-0-0
		8884-2-3			
B.— Distribution					
1. To proportion of salaries of engineers, superintendents and officers	606-10-0				28428-9-4
2. To wages & gratuities	648-2-0				
3. To repairs, maintenance and renewals of mains ...	402-3-9				
4. To repairs, maintenance and renewals of transformers, etc. ...	174-4-0				
5. To repairs, maintenance and renewals of meters, switches, cut-outs & other apparatus of consumer's premises	52-3-0				
	1883-6-9	10767-9-0			28428-9-4

For Manvi Brothers

V. R. Bhat

MANAGER.

Hanvi Bros, Byadgi

COMPANIES' ACCOUNTS.

NO. IV. REVENUE ACCOUNT—CONTD.

Dr.		10767-9-0		Cr.
C.—Public lamps.				28428-9-4 ✓
1. To attendance and repairs.	65-12-0			
2. To renewals, etc. .	593-4-3			
			659-0-3 ✓	
D.—Rents, rates and taxes.				
1. To rents payable. .	120-0-0 ✓			
2. To rates and taxes.	276-12-0 ✓			
		396-12-0 ✓	396-12-0 ✓	
E —Management expenses				
1. To Directors' remuneration	1882-0-0 ✓			
2. To management .	3154-14-0 ✓			
3 To general establishment charges.	1754-15-8 ✓			
4 To Auditors of Company.				
5. To Auditor appointed under the provisions of the Act.	130-0-0 ✓			
		6921-13-8 ✓	6921-13-8 ✓	
F —Law charges				
To law expenses				
G —Depreciation				
Street.L.Ft.				
1. To depreciation in respect of leasehold works	13-0-0 ✓			
2. To depreciation in respect of buildings.	317-0-0 ✓			
3 To depreciation on plant	573-0-0 ✓			
4. To depreciation on mains.	424-0-0 ✓			
(Service)				
5. To depreciation on	79-0-0			
6. To depreciation on meters.	160-0-0			
7 To depreciation on general stores.	20-0-0			
8 Ladder.	15-0-0			
9. Switch Board	39-0-0			
10. Furniture	29-0-0			
11. Storage Tank	12-0-0			
12. Empty Cans.	69-0-0			
	1750-0-0	20495-2-11		

SHI. P. G. 32-934-100

MANVI BROTHERS Byadgi

COMPANIES' ACCOUNTS.

NO. IV – REVENUE ACCOUNT – CONTD.

Dr.		Cr.	
	20495-2-11 ✓		28428-9-4 ✓
G. Depreciation-contd.			
8. To depreciation in respect of any other items (to be specified) ...			
H. Special charges.			
To special items (to be specified) ... Insurance	70-0-0 ✓		
Total expenditure ...	20565-2-11 ✓		
Balance carried to net revenue ..	7863-6-5 ✓		
	28428-9-4 ✓		28428-9-4 ✓

V - NET REVENUE ACCOUNT.

Dr.		Cr.	
1. To interest on debentures accrued due to date O.D.	2542-0-11 ✓	1. By balance from last account ...	
2. To interest on mortgages and bonds accrued due to date ...		Less dividend paid	
		By amount carried to Reserve Fund	
3. To interest on temporary loans accrued due to date ...	3573-0-6 ✓	2. By balance brought from Revenue Account (No. IV) ..	7863-6-5 ✓
4. To dividend on preference stock ...		3. By interest on money at deposit ...	
5. To Income-tax paid ...			
6. To balance applicable to dividend on ordinary stock or shares ...		By Balance	2542-8-11 ✓
Net Profit	4290-5-11 ✓		
	10405-15-4 ✓		10405-15-4 ✓

SHI. P. G. 32-935'100

MANVI BROTHERS Byadgi

COMPANIES' ACCOUNTS.

No. VI - RESERVE FUND ACCOUNT.

Dr.		Cr.	
1. Amount paid out (items to be specified) ...		1. By balance brought from last account ...	
2. Amount of balance of next account ...		2. By amount brougt from net Revenue Account ...	
		3. By interest on amount invested (Description of investments to be specified) ...	
	Nil		Nil

VII - DEPRECIATION FUND ACCOUNT.

Dr.		Cr.	
To balance	20894-10-10	1. By balance from last account ...	19144-10-10
		2. By interest on investments ...	
		3. By amount brought from Revenue Account (see No. IV G.)	1750-0-0
		(Description of investments to be specified) ...	
	20894-10-10		20894-10-10

COMPANIES' ACCOUNTS.

Manvi Bros, Byadgi

NO VIII-GENERAL BALANCE SHEET.

Dr.			Cr.
Liabilities		*Assets*	
1. To capital account: amount received as per Account No. III.	64900-0-0	1. By capital account: amount expended for works as per Account No. III	78559-6-0
2. To sundry creditors due on construction of plant and machinery, fuel, stores, etc.		2 By stores on hand	2893-2-3
		3 By sundry debtors . . .	537-10-9
3 To sundry creditors on open accounts.	3718-10-8	4. By preliminary expenses awaiting adjustment.	
4 To net revenue account : balance at credit thereof.		5. By securities as held [cost price]	
5. To reserve fund account balance at credit thereof		6 By special items(to be specified)	
		7. By cash at bankers . .	2474-14-6
6 To depreciation fund account.	20894-10-10	8. By cash on hand . .	87-6-8
7. To special items [to be specified]		9. P.&L. By Balance	2542-8-11
		10 Municipality	897-9-7
8. Consumers, Deposit.	2296-7-3	11 Consumers	3671-14-3
		12 Manvi Bros. Gadag	4-14-0
9. Government Duty	2432-0-9	13 Manvi Bros Ranebennur	4092- 8-10
10. Manvi Bros, Haveri	1520-2-3		
	95761-15-9		95761-15-9

Total	95761-15-9	Total.	95761-15-9

For Manvi Brothers

V.R Bulla

MANAGER.

51

MANVI BROTHERS

SHI. P. G. 32-937-1

COMPANIES' ACCOUNTS.

No. IX- STATEMENT OF ENERGY GENERATED, SOLD, ETC.

Total energy generated in Kilowatt-hours	Kilowatt-hour sold					Kilowatt-hours used on works	Kilowatt-hours not accounted for	Total Kilowatt-hours accounted for	Kilowatts connected for public lamps	Total consumers connected	Total Kilowatts connected	Plant installed Kilowatts	Maximum supply demanded in Kilowatts
	Public lamps	By special contract	Consumers by meter for lighting purposes	Consumers by meter for power purposes	Total								
1	2	3	4	5	6	7	8	9	10	11	12	13	14
66645	12435.86	13870.2	35917	.....	62223.06	3860	591.94	66053.06	7.27	250	37.5	57	49

Where the undertaking supplies power to tramways the units sold the tramway should be treated as sold by "special contract". In calculating the total kilowatts connected the k atts connected exclusive of the tramway should first be ascertained then the kilowatts connected to the tramway system should be as ed to bear the same ratio to the units used on the tramway as the remaining kilowatts connected bear to their consumption.

For Manvi Brothers
V. Rsuvaq
MANAGER.

53

No. OA/858

Outside Audit Department A.G.'s Office, 4th Floor Universal Ins, Bldg Sir P.M. Rd. B'bay dt. 21/4/52.

To

The Secretary to the Government of Bombay.
Public Works Department, Bombay.

Sub:-- Report on the audit of the accounts of the Byadgi Electric License for the years ended 31-3-50 and 31-3-51.

Sir,

I am to forward herewith the report on the audit of the accounts of the Byadgi Electric License for the years ended 31.3.50 and 31.3.51 and to request that extract of paragraphs ~~of~~ 4(b),5(c),8,9(a)(b), 12,13,14, and 15 of the report may please be forwarded to the management ~~for~~ for information and necessary action.

Special attention of Government is invited to paras 11 and 17(b).

Yours faithfully,

Srinivas Rao 21/4

S.SRINIVAS RAO.
Asstt. Examiner, Outside Audits

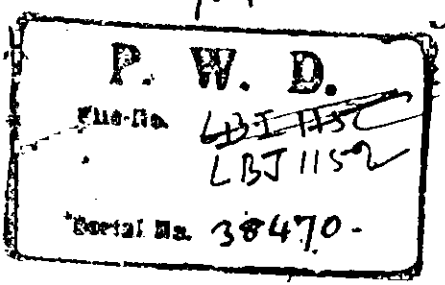
No. OA/ 87

Copy together with a copy of the report may please be forwarded to:-
(1) The Electrical Engineer to the Government of Bombay, Bombay.
(2) The Senior Auditor Shri A.P. Vaishnav with a set of acccunts for note and return.

Asstt. Examiner, O...

54

K/224



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L
L-1-2

55 LBJ 1152/38470.

P. W. Department
K.

Submitted.

2. The statements of accounts of the Bijapur Electricity Undertaking for the years ended 31-3-50 & 51, together with the audit report thereon, may, in the first instance be shown u.o. to the El. Engr. to Govt. for information and remarks, if any.

2995 Ca
25-4-24/4/52.
LA 69

VKN. 1/3/52. AP

Submd. 24/4/52

Sent to the El. Engr. to Govt. d. 25-4-52

1-5-52

Issue no (24-5-52)
24/4

57

Below U.O.R.No.LBT 1152/38470 dated the 25th April 1952 from Government in the Public Works Department.

No. LA-63/7657 of 1952.

Bombay, 13/14 September 1952.

Returned, with compliments.

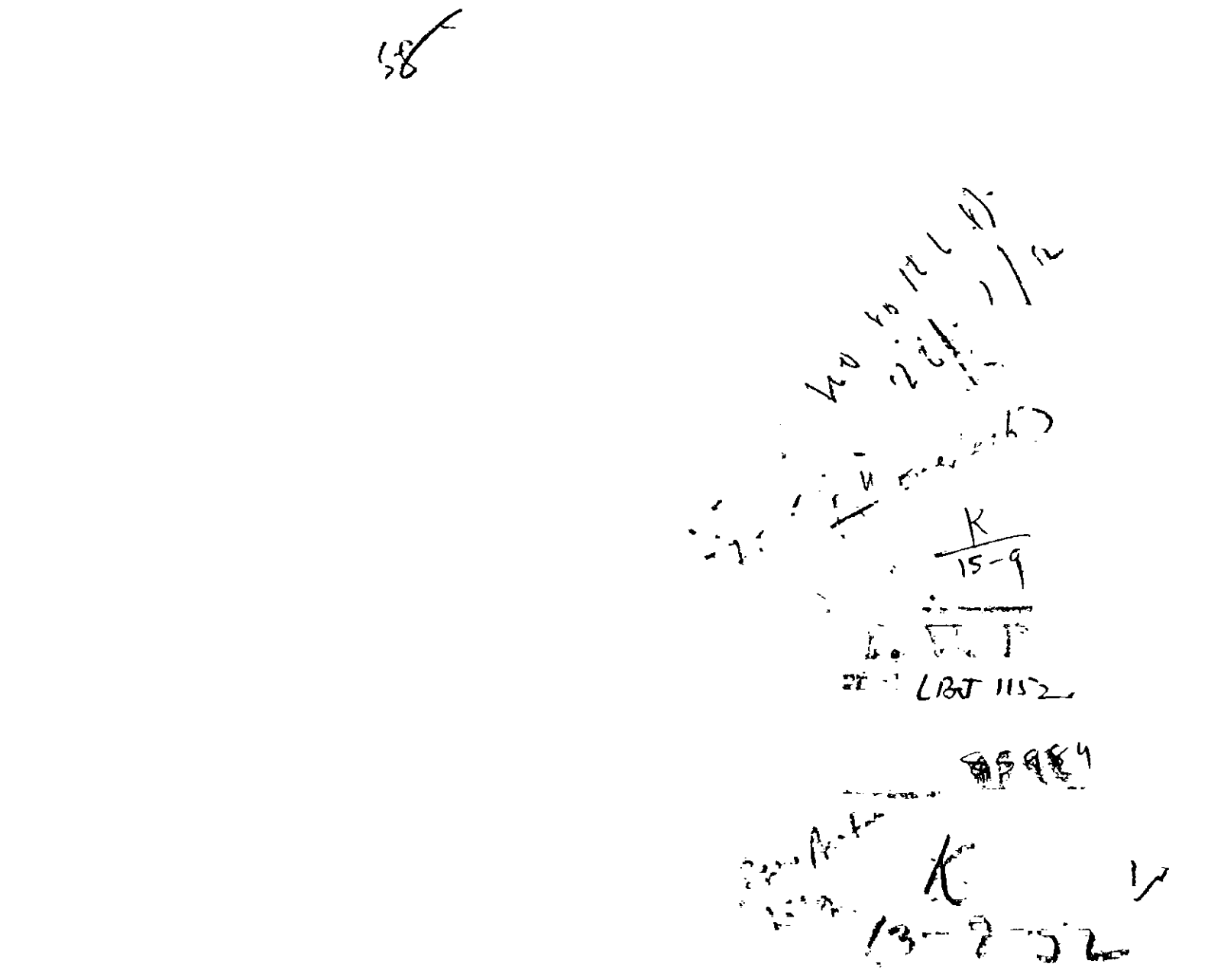
2. Extracts of paras.4(b), 5(c), 8, 9(a)(b), 12, 13, 14 and 15 may be forwarded to the Byadgi Electric Licensee for information and necessary action.

3. As regards para.8 of the audit report for 1949-50 of the Igatpuri Electric Supply Co.,Ltd., referred to in para.11 of the audit report of the Byadgi Electric Licensee, 1937, attention is invited to para.8 of this office U.O.R.No.LA.5/3205 dated the 7th June 1952.

4. Para.17(b) of the audit report: As the licensee's clear profit for the years 1949-50 and 1950-51, exceeds his reasonable return, the licensee may be asked to reduce his rates so that his clear profit may not exceed his reasonable return.

Electrical Engineer to Govt.

P.



LBJ 1152
85984
P.W.D.

KBr.

Pl. see the El. Engr's p 57 remarks within. In view p 57 thereof, the licensee may be addressed as per p 61-62 draft put up for appl.

3. As regards para 11 of the report within, it may be stated that the question reg. proprietor's remuneration is being considered along with such other doubtful points in file no. LPO 1151/64378 which is.

is under ~~cor.~~ to the R.L.A. since the 26.7.52. This may await decision on ~~those~~ papers.

19/9/52.

pp 62

99 225/- where from ?? ——→ Vide, pl. 10.7 ante. 19/9

19/9 Not at this time given in these two ppns. DS (DE)

61 LBJ 1152/85984

No. LBJ 1152/K

P.W.D.,
B.C. (Bldgs. No. 1),
20th Septr 1952.

To

M/s The Byadgi-El. Supply Co., Ltd.,
M/s Manvi Bros.,
Gadag.

Sub:- Accounts for the years ended 31.3.50 & 31.3.51

Sirs,

I am directed to forward herewith for information & necy. action extract paras 4(b), 5(c), 8, 9(a)(b) 12, 13, 14 and 15 of the audit report on the accounts of your Undertaking for the years ended 31.3.50 & 31.3.51.

2. It is seen from the above accounts that clear profits of your Undertaking for the years 1949-50 & 1950-51 is in excess of the reasonable returns of the respective years [illegible]

61 ~~LB~~ LBJ 1152/85984

No. LBJ 1152 K

P.W.D.,
B.C. (Bldgs No. 1),
20th Sept. 1952.

To

M/s The Byadgi El. Supply Co., Ltd.,
M/s Manvi Bros.,
Gadag.

Sub:- Accounts for the years ended 31.3.50 & 31.3.51.

Sirs,

I am directed to forward herewith for information & necy. action extract paras 4(b), 5(c), 8, 9(a)(b), 12, 13, 14 and 15 of the audit report on the accounts of your Undertaking for the years ended 31.3.50 & 31.3.51.

2. It is seen from the above accounts that clear profits of your Undertaking for the years 1949-50 & 1950-51 is in excess of the reasonable return of the respective years by more than..

than 99% to 225%. In accordance with para I of the Sixth Schedule to the Elty. (Supply) Act, 1948, you should have revised your rates for the supply of elty, which, however, you have not done so. I am, therefore, to request you to take immediate steps to reduce your rates forthwith.

3. Action taken in the matter ~~as suggested above~~ should be intimated to Govt. at an early date.

Yours ffly.

A.S.

D.A. Extract para referred to.

Copy to —

the Esenr., O.D., A.G.'s Office, Bihar, with refee to his letter no. OA/858, dt the 21.4.52, ~~LA-63/7657, dt the 13.9.52~~

the Elecal Engr. to Govt. with refee to his no. LA-63/7657, dt the 13-9-52

19/9/52.

Bby

No.LBJ 1158 K.

Public Works Department,
Bombay Castle (Bombay No.1),
20th September 1952.

From

The Assistant Secretary to the Government of Bombay,
Public Works Department.

To

Messrs.The Byadgi Electric Supply Company, Limited,
Messrs.Manvi Brothers,
Gadag.

Subject:- Accounts for the years ended
31st March 1950 and 31st March 1951.

Sirs,

I am directed to forward herewith for information and necessary action extract paragraphs 4(b), 5(c), 8, 9(a)(b), 12, 13, 14 and 15 of the audit report on the accounts of your Undertaking for the years ended 31st March 1950 and 31st March 1951.

2. It is seen from the above accounts that clear profit of your undertaking for the years 1949-50 and 1950-51 is in excess of the reasonable return of the respective years by more than 9% and 225% . In accordance with paragraph I of the Sixth Schedule to the ~~Supply~~ Electricity (Supply) Act, 1948, you should have revised your rates for the supply of electricity, which, however, you have not done so. I am, therefore, to request you to take immediate steps to reduce your ~~R~~ates forthwith.

3. Action taken in the matter should please be intimated to Government at an early date.

Yours faithfully,

Assistant Secretary to the Government of Bombay,
Public Works Department.

D.A.- Extract paras.
referred to.

Vma/20.9.52

22/9/52
Accounts.

ISSUED
Date...22-9-52

Copy to -

the Examinner, Outside Audit Department, Accountant General's Office, Bombay, with reference to his letter ~~No.~~ No.O.A./858, dated the 21st April 1952,
the Electrical Engineer to Government with reference to his No.LA-63/7657, dated the 13th September 1952.

KBz.

P.W.2

Submitted copy to P.W. at p. 63 ante

2/ The Coy. expedited order

No. LBJ 1152K of 30-10-52

29/10/52

ABB
30/10

Supdt. 30/10/52

ISSUED

Gadag Dated 30-10-1952

From:-

Manvi Brothers, Electric Lights & Power Suppliers.,
G A D A G.

To:

The Assistant Secretary to the Government of Bombay,
Public works Department, Bombay.
B o m b a y.

Subject: Accounts for the years ending 31-3-1950 & 31-3-51 of our Byadgi Electric Undertaking Byadgi.

Sir; P-61

With reference to your letter No. LBJ.1152 K dated 20th September 1952 we herewith submit our report as under:-

Para 4 (b) The cost of Rs. 2740/- represents expenditure incured on ~~xxpaxx~~ spare parts and should have been charged to repairs. It is regretted that it was wrongly charged to Capital account. The necessary adjustment will be carried out in the account of the next year.

5.(c) The expenditure of Rs. 1685-1-9 and Rs.1546-6-0 was incurred in view of grant of daily allowances to the staff who had visited Byadgi, in connection with t l work of the Concern. Vouchers for the Expenditurers were not readily available at the time of Audit. These are since traced and will be produced at the Next Audit The above expenditure is not of a private nature as presumed by audit. It was incurred in connection with the business of Electric Supply and ~~Incurred~~ Charged by para XVII(II)(b) XI of Schedule VI. Similarly the expenditu on Radia Licence was for the aminity of the staff, of the company and is covered by the above para. This aminity has now been discontinued.

Para VIII Remarks are noted and action will be taken in 1951-52.

Para IX A. Remarks have been noted and action is being taken as suggested by Audit. It may be mentioned that there are no assets falling under item "D" of the VII Schedule. Audit may be requested to furnish a list of such assets if there are any.

IX B Depreciation is not charged on a General stores as presumed. This item represents losses on stores due to deterioration etc. It is regretted that wrong nomenclature was given, which has mislayed the Audit.

XII The differences is explained to be due to non-inclusion of Proprietors ~~xx~~ renumeneration under XVII 2 (b) IX. It is not clear why itis stated that the renumeneration of the proprietors which are management expenses should not be included as expenditure. The expenditure represents payments made to the working partners of the concern for the services actually rendered by them. The expenditure is therefore a valid charge and the remarks of the Auditors seems to have been raised under some misapprehension. A copy of para 11 (a) has not been supplied.

" XII B Regular store accounts are now being maintained.

Paras. XIII & XIV. Please see remarks at para XII above.

XV. For the reasons stated in paras IV.B. 9(a)(ii) and 12 there is no excess of clear profit over reasonable return. The Auditors have also not taken into account in working out the clear profit, the previous losses and taxes on income Contribution to contigent reserve contribution towards arears of depreciation as required by para XVII (2) (C) of the Sixth Schedule. If these are taken into account there will be actually a deficit.

These are being worked out by this Office and will be shown in the next audit. The question of reduction of rates does not arise.

Yours faithfully,
for Manvi Brothers, Electric Lights & Power Suppliers.

V. R. Bulla
Manager

T.P. 10/11/52. K 3-11

Sd/- H 10/11

LBJ 11/52

E 103779

K

LBJ 1152/103779.

K.Br.

P-65

P.W.D.

A copy of the letter dt the 30-10-1952, from the Manager, Byadgi Electric Undertaking, Byadgi, may be forwarded to the Examiner, Outside Audit Deptt., for favour of remarks. Necy. draft is put up for approval.

P-69 Post

K.Dt.
13/11/52

Dy. (T.&S.)

No: LBJ 1152K

LBJ 1152

Letter.

P.W.D.,
B.C. (Bombay No.
18th November 19

To
The Examiner, Outside Audit Deptt.,
A.G.'s Office, Bombay.

Subject:- Accounts of the Byadgi Electric undertaking for the years ended 31-3-1950 and 31-3-1951. P-5!

Refce:- G.E. No: LBJ 1152K, dated the 20-9-1952.

2. The enclosed copy of letter, dated the 30-10-1952, from the Manager, Byadgi Electric undertaking, Byadgi, is forwarded herewith for favour of your remarks which should please be submitted through the El: Engr. to Govt. P-55

By order etc.,

A.S. to the Govt. of Bombay
P.W.D.

P-65
DA. Copy of letter refd. to.

Copy, with a copy of letter dated the 30-10-1952, from the Manager, Byadgi Electric Undertaking Byadgi, forwarded to the El. Engr. to Govt. with refce. to G.E. No. LBJ 1152K, dated the 30-10-1952. P-61 P-65

2. The El. Engr. should communicate his remarks, on receipt of the Examiner. Outside Audit Deptt's. remarks

K.M.
13/11/52

17/11

Letter.

No.LBJ 1152 K.

Public Works Department
Bombay Castle (Bombay No. 1),
18th November 1952.

To.

The Examiner, Outside Audit Department,
Accountant General's Office, Bombay

Subject:- Accounts of the Byadgi Electric Undertaking for the years ended 31st March 1950 and 31st March 1951.

.....

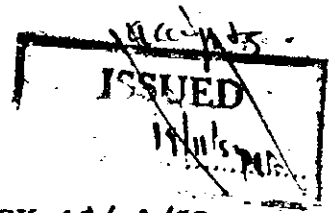
Reference: Government Endorsement No.LBJ 1152 K, dated the 20th September 1952.

2. The enclosed copy of letter, dated the 30th October 1952, from the Manager, Byadgi Electric Undertaking, Byadgi, is forwarded herewith for favour of your remarks, which should please be submitted through the Electrical Engineer to Government.

By order of the Governor of Bombay.

Assistant Secretary to the Government of Bombay, Public Works Department.

D.A.-Copy of letter refd. to.

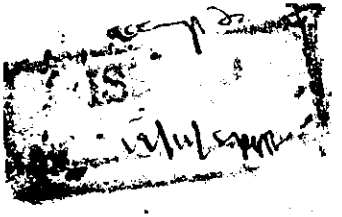


DK.18/xi/52.

Copy, with a copy of letter dated the 30th October 1952, from the Manager, Byadgi Electric Undertaking, Byadgi, forwarded to the Electrical Engineer to Government with reference to Government Endorsement No.LBJ 1152 K, dated the 30th October 1952.

2.....

2. The Electrical Engineer should communicate his remarks, on receipt of the Examinar, Outside Audit Department's remarks.



73

Telegraphic Address—ACCOUNTS.

A. G. 37(6).

No.

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters above the No. as given opposite, may be quoted, *and the reply addressed to*—
THE ACCOUNTANT GENERAL,
QUEEN'S ROAD, BOMBAY.

Bombay _____ 19

Reply to be Addressed to—
FROM 'THE EXAMINER ACCOUNTANT GENERAL ART ENT.'
Branch Office of The Accountant General, Bombay,
Universal Assurance Building, 4th Floor,
Sir, P. M. Road, BOMBAY No. 1

To

The Asstt:Secretary to the Govt.of Bombay,
Publi Works Department,Bombay
Through the Electrical Engineer with the Govt.of Bombay,
Bombay.

SIR,

Sub:-Accounts of Byadgi Electric License for the years ended 31.3.50 to 31.3.51.

Ref: G.L.P.W.D.EBJ.1152.K dt 15.11.52.— h. 71

The replies of the Co.to paras 4(b),5(c),8,9(a)(b) and 12(b) will be verified at next audit.

Para 12(a),13 & 14:-The working partners of the concern are entitled to the reasonable return vide para XVII(9) of the sixth schedule as the partners are more or less proprietors of the concern .No other remuneration is due tothem as it is not provided for in the sixth schedule.Further para XIII of sixth schedule applies only to Mg.agents.The amount has,therefore,been correctly excluded.

Para 15 &16(b):-The calcultion will be verified at next audit As regards previous losses the same will be admissible only if it represents excess of expenditure vide para XVII(2)(b) over income para XVII(2)(a) i.e.without taking into account interest on loans and advances.

Para 11: Orders of Govt.are awaited.

Yours faithfully,

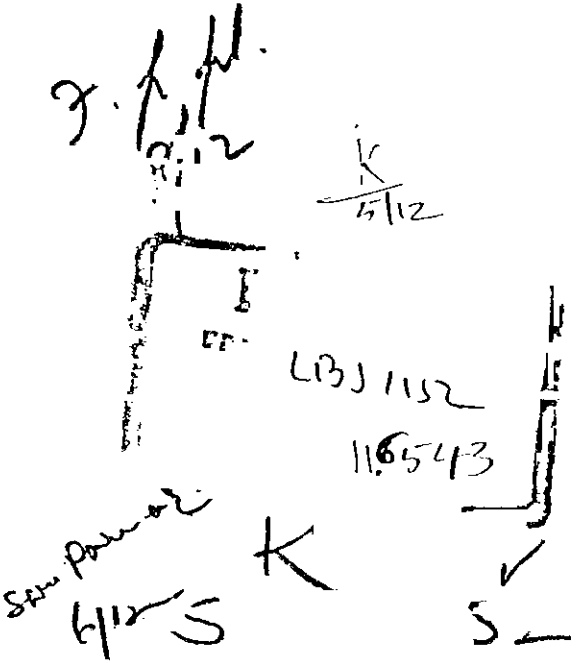
sd/-

Asstt:Examiner,Outside Audit.

No.OA/13273

Copy forwarded to the Asstt:Secretary to the Govt.of Bombay P.W.D.,Bombay.

Asstt. Examiner O.A.D.


K
5/12
LBJ 1152
116543
Stem Power
5/12 S
K
S

75

LBS 1152
116543
P. W. D.

Submitted with ref. to A. L. dt the 18-11-52 A. 71-72

2. The Examiner, O. A. D. has submitted an advance copy A. 73 of his remarks. The original letter together with the remarks of the Al. Engr in the matter may be awaited

9/12/52

ABS
9/12

Audit (9-1-53)
9/12
SAW POW 6/2
22/1

Supdt.

77

Telegraphic Address—ACCOUNTS.

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters above the No. as given opposite, may be quoted, *and the reply addressed to*—
THE ACCOUNTANT GENERAL,
QUEEN'S ROAD, BOMBAY.

No. 6 A/13272. Dt. 4 Dec. 1952 A. G. 37(6).

Bombay 19

Replies to be Addressed to:-
FROM
THE EXAMINER, OUTSIDE AUDIT DEPARTMENT.
Office of The Accountant General, Bombay
Universal Assurance Build, BOMBAY.
Sir, P. M. Road, BOMBAY No. 1

To 6.12.1952
The Asstt:Secretary to the Govt.of Bombay,
Public Works Department,Bombay
Through the Electrical Engineer with the Govt.of Bombay,
Bombay.

SIR,

Ref to the letter dated 6.12.52

Sub:-Accounts of Byadgi Electric License for the years ended 31.3.50 to 31.3.51.
Ref: G.L.P.W.D.DEB.1152.K dt 18.11.52. A/c. 7-72
The replies of the Co.to paras 4(b),5(c),8,9(a)(b) and 12(b) will be verified at next audit.

Para 12(a),13 & 14:-The working partners of the concern are entitled to the reasonable return vide para XVII(9) of the sixth schedule as the partners are more or less proprietors of the con--cern .No other remuneration is due to them as it is not provided for in the sixth schedule.Further para XIII of sixth schedule applies only to Mg.agents.The amount has,therefore,been correctly excluded.

Para 15 &18(b):-The calcultion will be verified at next audit. As regards previous losses the same will be admissible only if it represents excess of expenditure vide para XVII(2)(b) over income para XVII(2)(a) i.e.without taking into account interest on loans and advances.

Para 11: Orders of Govt.are awaited.

Yours faithfully,

Asstt:Examiner,Outside Audit.

16964
dtd 8-12-52
File LA 63

No.OA/ 3/12/52

Copy forwarded to the Asstt:Secretary to the Govt.of Bombay P.W.D.,Bombay.

Below letter No:OA/13272, dated the 4th December 1952, from the Examiner, Outside Audit Department, addressed to the Assistant Secretary to Government, Public Works Department, Bombay, regarding Accounts of Byadgi Electric Licensee for the years ended 31st March 1950 and 31st March 1951.

No.LA 63/ 15598 of 1953.
Bombay, 23rd January 1953.

Passed on with compliments to the Assistant Secretary to Government, Public Works Department, Bombay.

2. I agree with the remarks of the Examiner, on paragraphs 12(a), 13, 14 15 and 18(b) of the audit report. As regards paragraph 11, reference is requested to paragraph 8 of this office u.o.r. No.LA 5/3205, dated 7th June 1952.

XJ.N.LPO1151/52223.

Electrical Engineer to Government.

MAB/22/1/53,

K

2-41

P. W. D.

File No. LBJ 1152

Serial No. 9460

81 LBJ 1152/9460

K. Br. D. W.D.

Submitted with ref. to G.L. dt. the 18-11-1952. — A/f. 71-72

2. Pl. see the remarks of the Examiner D. A.D & the El. Engr. to Govt. within. In view there of the Supply Co. may be informed as per draft put up for approval f. 80 A/f. 79

3. Regarding para 11 of the audit report it may be stated that the question of "Proprietor's Remuneration" is being considered in file No. LPO 1151/51223: Action on para 11 may be omitted till the decision in the matter is reached.

5/2/53 5/2/53

A. S. (IV)

No. LBJ 1152 K. 83

P. W. D.
B. C. (Bldgs No. 1)
6 February 1953

To

The Manager,
The Byadgi El. Supply Co.,
Gadag.

Subject: Accounts for the year ended 31-3-50 and 31-3-51

Sir,

I am directed to refer to the correspondence ending with your letter dt. the 30-10-1952 f.65 on the subject mentioned above and to state as under:

f.5
Paras 12(a), 13 & 14: The working partners of the concern are ~~not~~ entitled to the reasonable return vide para XVII(9) of the Sixth Schedule as the partners are more or less proprietors of the concern. No other remuneration is due to them as it is not provided for in the Sixth Schedule. Further para XIII of Sixth Schedule applies only to Mg. Agents. The amount has therefore, ~~been~~ been correctly excluded.

f.5 f.7
Para 15 & 18(b): Regarding previous losses I am to state that the same will be admissible only if it represents excess of expenditure vide para XVII(2)(b) over income para XVII(2)(a) i.e. without taking into account interest on loans & advances.

Yours faithfully,
Asst. Secy. to
P. W. D.

D.A.: Nil.

~~Copy~~ forwarded to — for

the Examiner, O. A. D., B'bay with ref. to his letter No. OA/13272, dt the 4th Dec 1952,

the El. Engr. to Govt. with ref. to his No LA 63/15598, dt the 23rd January 1953,

2. Regarding para 11 of the audit report the E.C A.D & the El. Engr. to Govt are informed that the matter is still under consideration of Govt.

5/2/53

Gen-2
5/2

No.LBJ 1152 K. Public Works Department,
Bombay Castle(Bombay No. 1),
6th February 1953.

From

The Assistant Secretary to the Government of Bombay,
Public Works Department.

To

The Manager,
The Byadgi Electric Supply Company,
Gadag.

Subject:- Accounts for the year ended 31st March 1950 and 31st March 1951.

.....

Sir,

I am directed to refer to the correspondence ending with your letter dated the 30th October 1952 on the subject mentioned above and to state as under:-

Paragraphs 12(a), 13 and 14: The working partners of the concern are entitled to the reasonable return vide paragraph XVII(a) of the Sixth Schedule as the partners are more or less proprietors of the concern. No other remuneration is due to them as it is not provided for in the Sixth Schedule. Further paragraph XIII of Sixth Schedule applies only to Managing Agents. The amount has therefore, been correctly excluded.

Paragraph 15 and 18(b): Regarding previous losses I am to state that the same will be admissible only if it represents excess of expenditure vide paragraph XVII(2)(b) over income paragraph XVII(2)(a)i.e. without taking into account interest on loans and advances.

Yours faithfully,

6/2/53

Assistant Secretary to the Government of Bombay, Public Works Department.

MML/6/2/53
4

D.A.-Nil.

Copy forwarded to -

the Examiner, Outside Audit Department, Bombay with reference to his letter No.OA/13272, dated the 4th December 1952,
the Electrical Engineer to Government with reference to his No.LA 63/15598, dated the 23rd January 1953.

2. Regarding paragraph 11 of the audit report the Examiner Outside Audit Department and the Electrical Engineer to Government are informed that the matter is still under consideration of Government.

Received
7-2-53

LBJ 1152/9460

K. Br.

P. W.D.

The Supply Co. expedited under No.
LBJ 1152K, dt. the 20th March 1953.

19/3/53

19/3

The Supply Co. expedited under No.
LBJ 1152K, dt. the 16th May 1953.

14/5/53

15/5

I JED
D Sig/1615

Suptdt.

20-3-53

Suptdt

K. Br.

P. W.D.

The Supply Co. expedited under
LDJ 1152K, dt. the 16 June 1953

14/6/53

16/6

ISSUED
16-6-53

Suptdt

87 | LBJ 1152/9460

P&D
K

The Supply Co, expedited under
No. LBJ 1152-K, dated the 23-10-53

23/10

23/10

ISSUED
Date 23/10 53

Sales Tax No. V. H. 30

MANVI BROTHERS.

Electric Light & Power Suppliers, GADAG (Dist. Dharwar)

Branches:
RANEBENNUR,
BYADGI AND
HAVERI.

Head Office:
GADAG.

Gadag, Date 3-11-1953 *195* .

To,

The Superintendant,
Public Works Department, Bombay.

Subject;- Accounts for the year ended the 31st March 1950 and the 31st March 1951 of the Byadgi Electri undertaking, Byadgi.

Sir,

We beg to acknowledge the receipt of your letter No.LBJ.1152.K. dated 23rd October 1953, we have to bring to your kind notice that the action taken by us has already been intimated to your honour which please note.

Yours faithfully
For Manvi Brothers, Gadag
V. R. Bulla
Manager

LB 1115
.A3 1881

9| LD G|1152|131881

P.W.D.

N. Bx.

Pl. see the letter within. A similar reply has been sent by Manvi Bros. in resp. of Ranchennur Rd. supply co and the Manvi Bros. are being asked in file No. LRR 1152/129570 to quote the no. & date of their letter under which they have sent their report. These pps. may be kept in ~~await~~ await pending their reply in file No LRR1152/129570.

Link case I.

14/11/11

No. Make a separate reference in this case

14/11/11

Sr. (II)

Srinivasaiah 14/11

LBG/152/131881 92

K.Bv.

Resubmitted with a draft P.W.D. pp 93-94 for apptd.

16-11-13

16/11/13

AP (II)

J
No. LBG/1152K
~~KNB~~

93

LBG/1152/31881

P.W.D

B. C. (Bijapur No. 1)

21-11-53

To

The Manager,

M/s. Manvi Brothers,

Gadag. Dist: Dharwar.

Sub: Accounts for the yr. ended the 31st March 1950 & the 31st March 1951 of the Bagalkot Electric Undertaking, Bagalkot.

~~Ref~~ p.89

Sir,

I am directed to refer to your letter dt. 3-11-53, on the above subject and to request you to quote the no. & date of your letter under which you have communicated to Govt. the action taken by you on G.L. No. p.85 LBJ/1152K, dt. 6-2-53 & to furnish a copy of the same for ready reference. Yours

94

yours faithfully. DA. Nil.

A.E. to S. of B, P.W.D.

16/11/53

19/11

for N.E.C.

Ex.

95

No. LBJ 1152 K.

Public Works Department,
Bombay Castle (Bombay No. 1),
21st November 1953.

From

The Assistant Secretary to the Government of Bombay,
Public Works Department.

To

The Manager,
Messrs. Manvi Brothers,
Gadag, District Dharwar.

Subject: Accounts for the year ended the 31st March 1950 and the 31st March 1951 of the Byadgi Electric Undertaking, Byadgi.

....

Sir,

I am directed to refer to your letter dated 3rd November 1953, on the above subject and to request you to quote the number and date of your letter under which you have communicated to Government the action taken by you on Government Letter No. LBJ 1152 K, dated 6th February 1953 and to forward a copy thereof for ready reference.

Yours faithfully,

S/C

Assistant Secretary to the Government of Bombay, Public Works Department

ISSUED
23/11/53

D.A.-Nil.

2,
18/11/53.